



United States  
Department of  
Agriculture

Washington AN 918 (7 CFR 3550)

**Rural  
Development**

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Rural Business & Cooperative Services  
Rural Housing Service  
Rural Utilities Service

August 1, 2003

SUBJECT: Eviction of Occupants of Real Estate Owned (REO) Properties

TO: All Single Family Housing Staff  
USDA, Rural Development, Washington

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to help standardize and provide guidance on eviction processing for REO properties upon acquisition after the non-judicial or judicial foreclosure has taken place.

**COMPARISON WITH PREVIOUS AN:**

There is no previous AN on this subject.

**IMPLEMENTATION RESPONSIBILITIES:**

**Non-Judicial Foreclosures**

1. Following the Non-Judicial Foreclosure Sale, the Trustee Service sends a letter ordering the occupants of the property to vacate within 20 days (20-day notice).
2. The Local Office will inspect to verify that occupants have vacated within the 20 days provided in the Trustee Service 20-day notice.
3. If occupants have not vacated, the Community Development Manager will proceed with the 3-Day Notice according to the following instructions:
  - a. Prepare a 3-Day Notice using Exhibit A (using local office letterhead).
  - b. Personally serve by hand delivery, the 3-Day Notice to the occupant of the property
  - c. If hand delivery to an adult is not possible, affix a copy of the notice in a conspicuous place on the premises. (ie: front door, near by adjacent wall or post). If at all possible, take pictures of the property while you are there.
  - d. If serving a subtenant, affix two copies of the 3-Day Notice to the premises (have extra copies of the 3-Day Notice with you to hand-deliver to other adults who may be present.
  - e. The 3-Day Notice will **also** be sent by regular and Certified Mail to occupants.
  - f. The RD employee making the delivery will complete a Declaration Statement describing the manner of service and the person(s) to whom notice is given. Use Exhibit B for this purpose. Send copy of the 3-Day Notice, along with borrower/occupant telephone number to the Single Family Housing Program Director. The Single Family Housing Division will work with Office of General Counsel (OGC) to attempt telephone contact after the 3-Day Notice is issued. OGC has discovered that it is sometimes helpful and successful when an OGC official calls the occupant.

4. The Local Office will inspect the property to determine if it is vacated as instructed by the 3-Day Notice. If the property is still occupied, Local Office will notify and provide the following items to the Single Family Housing Division.
  - a. Copy of the Trustee's Deed
  - b. Copy of 20-Day Notice sent to occupants by the Trustee Service
  - c. Copy of the 3-Day Notice
  - d. Copy of Declaration Statement for service of the 3-Day Notice
  - e. Copy of the Promissory Note (this will be used to establish the reasonable rent, unless the local office advises that the reasonable rent should be an amount different than the monthly payment).
  - f. Advisement that property is occupied and name(s) of occupants
  - g. Advisement of other contacts and efforts to have occupants vacate and remove belongings from premises
5. The Single Family Housing Division will contact OGC to initiate the formal eviction process. OGC will forward the request to the U.S. Attorney.
6. The U.S. Attorney handles the matter by scheduling a show-cause hearing in court. The occupant must be present and state a reason to be heard. The U.S. Attorney will notify Rural Development of the hearing date and an official from the local office or Single Family Housing Division will need to be present at the hearing. If no issue is raised at the show-cause hearing, the judge may give the occupant three days to vacate or may order the sheriff to remove belongings and secure the property. After the show cause hearing, the U.S. Attorney will have the local office contact the U.S. Marshall's Office and the Local Office will work closely with them to coordinate the eviction.

Judicial Foreclosures:

In the case of judicial foreclosures, the agency obtains a judgment which the United States can enforce by ordering the U.S. Marshall to carry out the judgment in order to remove the occupants from the dwelling. The processing of evictions following judicial foreclosures will be handled on a case by case basis, so contact the Single Family Housing Division for further guidance if the occupants do not vacate the property.

If you have any questions, please contact the Single Family Housing Program Director.

/s/  
JACKIE J. GLEASON  
State Director

Attachments

EXPIRATION DATE:  
August 31, 2004

FILING INSTRUCTIONS:  
HB-1-3550 (Appendix 7)